

INFORMATION REPORT

CONFIDENTIAL

INTELLOFAX 9

COUNTRY Switzerland/China
 SUBJECT Chinese Order for Swiss Precision Instruments

PLACE ACQUIRED [REDACTED] 25X1A

DATE OF INFO. [REDACTED] 25X1X

CD NO.

DATE DISTR. 23 OCT 51

NO. OF PAGES 2

NO. OF ENCLS. (LISTED BELOW)

SUPPLEMENT TO REPORT NO.

59

9

43

- On 21 August 1951, Camille Bauer A.G., Bernacherstrasse 10, Basel, makers of precision instruments, agreed to deliver the following equipment to Whitney, Engineering and Trading Corporation, 195 Chieh Fang Tai Lu, Tientsin 10, China:

Quantity	Item	Price in Swiss Francs
240	Thermoclements, Model Pt2F-Pt	63,000
2,400	mm. Thermocouple extension lead wires (Ausgleichleitungen)	11,160
70	Indicators, Model NO IV (described as a portable small indicator for ambulant control measurements; size 110 x 110 x 60 mm.; length of scale 70 mm.; precision 1.5)	15,750
50	Indicators, Model NO III (described as a large, portable indicator for ambulant control measurements; size 240 x 200 x 130 mm.; length of scale 175 mm.; precision 0.5)	35,000
20	Indicators, Model NO 05 (described as an indicator in square form for flush mounting, with moulded insulated material case; frame size 65 x 65 mm.; depth 13 mm.; length of scale 60 mm.; precision 1.5)	3,200
10	Six-color recorders, Model TR6Cu	17,450
	TOTAL	146,260
	Packing expenses	3,340
	CIF Gdynia charges	3,200
	GROSS TOTAL	152,800

CONFIDENTIAL

CLASSIFICATION ~~SECRET/CONFIDENTIAL~~ - U.S. EYES ONLY

STATE	<input checked="" type="checkbox"/>	NAVY	<input checked="" type="checkbox"/>	NSRR		DISTRIBUTION														
ARMY	<input checked="" type="checkbox"/>	AIR	<input checked="" type="checkbox"/>	FBI																

REFERENCE COPY

DO NOT CIRCULATE

Document No. 09
 No Change in Class. ☐
☐ Declassified
 Class. Changed To: TS S 6
 Auth.: HR 70-2
 Date: 02/28/78
 By: 029

~~SECRET/CONTROL~~ ~~U.S. OFFICIALS ONLY~~

CENTRAL INTELLIGENCE AGENCY

25X1A

-2-

2. The terms of the contract call for the delivery of the equipment to Gdynia two months after acceptance of the order. It is estimated that the total weight of the shipment will amount to approximately 642 kilograms. The instruments are to be packed in boxes stamped "For Whitney, Tientsin" and sent air freight via Swissair from the Zürich-Kloten airfield to Prague. At this point the boxes will be turned over to Metrans, the Czech shipping agency, which will forward them to the Polish Ocean Line at Gdynia. The latter agency will undertake delivery to Tientsin by Polish vessel, presumably via Takubar. Whitney is obligated to open an irrevocable letter of credit for Camille Bauer A.G. at the Schweizerische Bankverein, Basel, not later than 4 September 1951. Whitney has informed the Swiss party that it is acting on behalf of the North China Import Corporation.
3. Conclusion of the above-described agreement came approximately one year after Whitney, Engineering and Trading Corporation first approached Camille Bauer A.G., although the negotiations did not make much progress until June 1951, when Whitney initiated a continuous and urgent correspondence by letter and cable. Whitney's letters were written in German, whereas the cables were always in English. The correspondence was handled at times through Whitney's Tientsin office by a Dr. MA. At other times the letters originated in Whitney's Shanghai office, located at 300 Nanking Road, and were signed by Doctor of Engineering Y. C. CHOU, General Manager.
4. At first Whitney proposed that Camille Bauer A.G. deliver the instruments CIF Takubar; Whitney wished to make payment by telegraph as soon as it had knowledge that the shipment had reached an Eastern European country such as Czechoslovakia or Poland. Camille Bauer A.G. insisted on receiving a letter of credit at a Swiss bank in Swiss francs or U.S. dollars. On 19 July 1951, Whitney cabled that it had received special authority (presumably from the Chinese Government) to make out a letter of credit in this case, provided Camille Bauer quoted air freight CIF Peking, via Prague and Moscow, or sea freight CIF Takubar via Polish Ocean Line. On 20 July, in completion of the last-cited cable, Whitney wrote that it wished to avoid future shipments via Hong Kong in view of the decision taken on 25 June by the Hong Kong Government to place all imports and exports of the crown colony under control. Whitney feared that an especially severe control would be put on electrical, precision, and thermo-electric instruments. Whitney stated it had been advised by the firm of Kern* in Aarau that it was possible to arrange air transport from Switzerland to Peking via Moscow. Whitney added that it had been informed by other Swiss business contacts that transport could be arranged on Polish steamers and suggested that Camille Bauer A.G. get in touch with Danzas & Co., Holbeinstrasse 2, Basel, or Weltfurrer Internationale Transport A.G., Pelikanstrasse 8, Zürich. Camille Bauer replied that it would undertake air delivery of the instruments CIF Prague or Gdynia, but had no intention of assuming the risks of a sea shipment to Takubar, or an air shipment to Peking via Prague and Moscow. In a cable of 8 August Whitney again attempted to persuade Camille Bauer A.G. to make a quotation CIF Takubar, suggesting that 20 percent be added to the CIF Gdynia quotation. On 9 August Camille Bauer repeated its offer to deliver CIF Gdynia and invited credit immediately. On 13 August Whitney accepted those conditions and stated it would open the letter of credit within two weeks. On 21 August Camille Bauer initiated fulfillment of the order.

25X1A

- * [REDACTED] The Kern firm is presumably identical with Kern & Co., A.G., of Aarau, listed in the Swiss Trade Registry for 1951 as producers of optical, mathematical, topographical, geodetic and astronomical instruments.

CONFIDENTIAL

~~SECRET/CONTROL~~ ~~U.S. OFFICIALS ONLY~~